

## Message Text

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UNCLAS STATE 187605

E.O. 11652: N/A

TAGS: EINV, ET

SUBJECT: KALSEC COMPENSATION LETTER

FOLLOWING IS TEXT OF LETTER OF JULY 14 FROM KALAMAZOO  
SPICE COMPANY'S ATTORNEY TO THE COMPENSATION COMMISSION:

BEGIN TEXT: COMPENSATION COMMISSION, THE PROVISIONAL  
MILITARY GOVERNMENT OF SOCIALIST ETHIOPIA, POST OFFICE  
BOX 30702, ADDIS ABABA, ETHIOPIA. RE: CLAIM OF  
KALAMAZOO SPICE EXTRACTION CO. (KSEC HEREIN) DEAR SIRs:

OUR CLIENT, KSEC, HAS ASKED US TO WRITE YOU. REFERENCE  
IS MADE TO THE LETTER OF APRIL 28, 1978 FROM KSEC. CON-  
SIDERABLE TIME HAS BEEN SPENT IN SEARCHING AND COLLATING  
ITS FILES FOR INFORMATION PERTINENT TO A RESPONSE TO YOUR  
LETTER REFERENCE KSEC/CC/K-11/5/70. IT HAS ENCOUNTERED  
MANY QUESTIONS AND PROBLEMS WHILE ASSEMBLING MATERIALS  
FOR RESPONSE TO ONLY THE FIRST FEW QUESTIONS ASKED.

IN VIEW OF THE LENGTHY NATURE OF THE DOCUMENTATION RE-  
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QUESTED IN SUPPORT OF ITS CLAIM, AND IN VIEW OF THE  
BENEFICIAL EFFECT THAT A SETTLEMENT OF OUR CLAIM CAN HAVE  
ON THE ABILITY OF ETHIOPIAN SPICE EXTRACTION SHARE CO.  
(EESCO HEREIN) TO AGAIN AGGRESSIVELY MARKET ITS PRODUCT

IN LARGE VOLUME, WE SUGGEST THE FOLLOWING SETTLEMENT FOR  
YOUR PROMPT CONSIDERATION:

A. KSEC ASSIGN TO ESESCO, OR ANOTHER APPROPRIATE AGENCY OF THE PROVISIONAL MILITARY GOVERNMENT, ITS INTEREST IN ITS CLAIM FOR COMPENSATION FOR THE SHARES OF ESESCO, PREVIOUSLY OWNED BY KSEC, AND WHICH WERE NATIONALIZED.

B. ESESCO, OR ANOTHER APPROPRIATE AGENCY OF THE PROVISIONAL MILITARY GOVERNMENT, RELEASE KSEC FROM ANY OBLIGATIONS OWED, OR WHICH MAY BE CLAIMED OWED, BY KSEC TO ESESCO OR OTHER AGENCY OF THE PROVISIONAL MILITARY GOVERNMENT.

C. OWNERSHIP AS TO THE MAXIMUM NUMBER OF SHARES IN ESESCO WHICH WOULD BE PERMITTED UNDER THE DECREE OF NATIONALIZATION BY KSEC BE CONFIRMED. THESE SHARES, ALTHOUGH OF NOMINAL VALUE UNDER THE CIRCUMSTANCES, WOULD SYMBOLIZE THE HISTORICAL ROLE OF KSEC IN THE DEVELOPMENT OF THAT FINE ENTERPRISE, ESESCO.

OUR ULTIMATE GOAL HAS ALWAYS BEEN RESUMPTION OF TRADE RELATIONS WITH ESESCO. THIS HAS BEEN IMPOSSIBLE TO NEGOTIATE AND ACCOMPLISH BECAUSE OF THE UNSETTLED CLAIMS OF KSEC AND ESESCO. RESOLUTION OF THESE CLAIMS AFTER A LONG PERIOD OF TIME WOULD, PERHAPS, PERMANENTLY PRECLUDE RESUMPTION OF NORMAL TRADE BETWEEN THE COMPANIES, TO THE GREAT DETRIMENT OF BOTH. IT WOULD SUBSTANTIALLY BENEFIT

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BOTH COMPANIES TO SETTLE THEIR CLAIMS NOW.

WE HAVE RECENTLY HAD A CONFERENCE WITH MR. MAKKONEN HUNDE OF ESESCO, AND JOHN A. YOUNG, ESQ. AND JACK WEINBERG, ESQ., ATTORNEYS OF THE NEW YORK LAW FIRM OF GRAUBARD, MOSKOVITZ, MCGOLDRICK, DANNETT AND HOROWITZ. DURING THEIR VISIT WE DISCUSSED SETTLEMENT OF THE COMPANIES' RESPECTIVE CLAIMS ON SUBSTANTIALLY THE ABOVE BASIS. I HAVE PREVIOUSLY COMMUNICATED MY OPINION THAT LITIGATION WILL RESULT IN A LARGER AWARD TO KSEC FOR ITS LOSSES RESULTING FROM THE ACT OF NATIONALIZATION, THAN ANY SUM WHICH MIGHT BE AWARDED ESESCO ON ITS CLAIM.

IN VIEW OF THE ABOVE CONSIDERATIONS, KSEC'S PROPOSAL IS SOLELY A SETTLEMENT OFFER. IT IN NO WAY HEREBY REDUCES ITS CLAIM. WE SPECIFICALLY LIMIT THE OFFER TO SETTLEMENT NEGOTIATIONS. THIS OFFER IS NOT ADMISSIBLE EVIDENCE IN ANY HEARING, LAW SUIT, TRIAL, CASE OR ACTION EITHER IN ANY COURT, TRIBUNAL, ARBITRATION BOARD, OR OTHERWISE, FOR ANY PURPOSE WHATSOEVER. THIS OFFER IS OPEN ONLY FOR

A REASONABLE TIME FOR YOUR CONSIDERATION. THE OFFER WILL

BE WITHDRAWN IF NO SETTLEMENT IS REACHED WITHIN A REASON-  
ABLE TIME.

SHOULD THE ABOVE PROPOSAL FIND FAVOR WITH YOUR COMMISSION,  
WE WILL BE PLEASED TO CONSUMMATE THE FINAL AGREEMENT AS  
RAPIDLY AS POSSIBLE, THEREBY AVOIDING FURTHER DAMAGE  
TO KSEC RESULTING IN A DELAY IN RECEIVING JUST AND FAIR  
COMPENSATION IN ACCORDANCE WITH THE TREATY BETWEEN  
ETHIOPIA AND THE U.S. AT THE TIME OF NATIONALIZATION,  
AND AVOIDING FURTHER DAMAGE TO KSEC AS A RESULT OF OUR  
INABILITY TO NORMALIZE RELATIONSHIPS WITH ESESCO DUE TO  
NATIONALIZATION, AND DISRUPTION OF TRADE AND MARKETING  
RELATIONSHIPS.

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VERY TRULY YOURS, BROWN, COLMAN & DEMENT, P.C.,  
ERIC V. BROWN, SR. END TEXT.

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## Message Attributes

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